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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

August 28, 1992

Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Dear Ms. Searcy:

Cincinnati Bell Telephone Company hereby submits the original and five copies of its comments in the Notice of Proposed Rulemaking on Regulatory Reform for Local Exchange Carriers Subject to Rate of Return Regulation (CC Docket 92-135), released July 17, 1992.

Please date stamp and return the enclosed duplicate copy of this letter as acknowledgement of its receipt.

Sincerely,

B J Stonebraker

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter Of	:	
Regulatory Reform for Local	:	CC Docket No. 92-135
Exchange Carriers Subject to	:	
Rate of Return Regulation	:	

COMMENTS OF
CINCINNATI BELL TELEPHONE COMPANY

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Dated: August 28, 1992

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SUMMARY

Cincinnati Bell Telephone Company (CBT) appreciates the Commission's attempt to extend the benefits of incentive regulation to small and midsize LECs and their customers. However, the Commission's optional incentive regulation plan (OIRP) must be modified in order to provide a meaningful option for such LECs. CBT fully supports the proposal of the United States Telephone Association (USTA) for regulatory reform as well as the comments being filed by USTA.

CBT offers these comments to highlight a number of critical flaws in the OIRP, which, if left unchanged, would prevent many small and midsize LECs from electing this regulatory option. Specifically, the OIRP's earnings zone of plus or minus 100 basis points about the authorized rate of return provides an inadequate earnings incentive. Further, the OIRP's proposed approach for adjusting demand to reflect individual company growth in the derivation of carrier common line rates stands in stark contrast to the approach used for price cap LECs, and negates incentives in the common line area. In addition, CBT points out that the Commission should not limit mid-term filings. The OIRP must allow mid-term rate adjustments to prevent small and midsize LECs from being subject to prolonged periods of underearnings. The OIRP's proposed treatment of new services is also problematic and should be modified consistent with the comments being filed today by USTA. Finally, the

OIRP's infrastructure reporting requirement for LECs electing to be regulated under the OIRP is inappropriate, and should be eliminated.

CBT also addresses a number of modifications which are needed with respect to the Commission's proposed revisions to baseline rate of return regulation for LECs that do not elect the OIRP. CBT supports the option of a biennial baseline tariff filing, but submits that LECs must retain the option of making annual filings if circumstances warrant. In addition, CBT submits that LECs should be provided the option to base their baseline tariff filings on prospective study periods. CBT disagrees with the Commission's proposed methodology to project cost and demand data by using simple extrapolations of historical costs and demand. Such historical extrapolations would tend to keep small and midsize LECs one step behind in the rapidly changing telecommunications industry.

Finally, CBT notes that there are several important related issues to be addressed in the Commission's rate of return proceeding (CC Docket No. 92-133), that will have a direct impact on the regulatory reform proposals under consideration in this proceeding.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Regulatory Reform for	)	
Local Exchange Carriers	)	CC Docket No. 92-135
Subject to Rate of Return	)	
Regulation	)	

COMMENTS OF CINCINNATI BELL TELEPHONE COMPANY

Cincinnati Bell Telephone Company (CBT) hereby submits comments on the Commission's regulatory reform proposal for small and midsize local exchange carriers (LECs) as set forth in the July 17, 1992 Notice of Proposed Rulemaking (NPRM) in the above-captioned proceeding.[1/] CBT appreciates the Commission's attempt to formulate a regulatory framework designed to extend the benefits of incentive regulation to the customers of small and midsize LECs for whom the Commission's price cap plan does not present a viable regulatory option.[2/] A modern regulatory policy incorporating correct incentives to reflect the increasingly competitive telecommunications environment is

1/ Regulatory Reform for Local Exchange Carriers Subject to Rate of Return Regulation, Notice of Proposed Rulemaking, CC Docket No. 92-135 (FCC 92-258), Released July 17, 1992; Erratum, Released July 29, 1992.

2/ See Policy and Rules Concerning Rates for Dominant Carriers, Second Report and Order, CC Docket No. 87-313 (FCC 90-314), Released October 4, 1990 (Price Cap Order) and Order on Reconsideration, CC Docket No. 87-313 (FCC 91-115) Released April 17, 1991 (Price Cap Reconsideration Order).

critical for all LECs, and should be a major component of any national telecommunications policy. CBT fully supports the proposal of the United States Telephone Association (USTA) for regulatory reform,[3/] and submits that the USTA Proposal reflects an appropriate balance between LECs and their customers. Unfortunately, the NPRM fails to reflect such a balance and misses the mark on a number of critical issues. In short, the regulatory proposals set forth in the NPRM need to be modified if they are to provide a meaningful option for small and midsize LECs.

CBT concurs with the comments being filed today by USTA in this proceeding.[4/] CBT offers these individual comments to emphasize key elements of both the USTA Proposal and USTA Comments, and to explain why those elements are particularly critical to CBT.

3/ See, ex parte letter of July 29, 1992 from Linda Kent, Associate General Counsel of USTA, to Donna Searcy, Secretary of the Commission ("USTA Proposal"). However, as discussed in Section E supra., CBT does not concur with the USTA Proposal as it relates to infrastructure reporting requirements.

4/ Regulatory Reform for Local Exchange Carriers Subject to Rate of Return Regulation, Comments of the United States Telephone Association, Filed August 28, 1992 ("USTA Comments").

I. CRITICAL FLAWS EXIST IN THE COMMISSION'S OPTIONAL INCENTIVE REGULATION PLAN

A. The Earnings Incentive is Inadequate

Section III(A) of the NPRM describes the Commission's Optional Incentive Regulation Plan (OIRP). Under the OIRP, the Commission suggests an earnings zone about the authorized rate of return of plus or minus 100 basis points. While this proposal at first glance resembles the zones applicable to price cap regulation,[5/] the Commission states that because the OIRP entails less risk than price caps, it must provide less reward.[6/] The earnings zone for the Commission's OIRP does not provide sufficient incentive. The Commission indicates a desire to create a "continuum of increasingly incentive based approaches." However, a comparison of the earnings zone for the OIRP and the earnings zone for price cap regulation shows that no such continuum would be achieved. CBT submits that the incentive plan set forth in the USTA Proposal is more reasonable and better achieves the Commission's stated goals. USTA recommends an earnings zone of 200 basis points above the authorized rate of return, at the risk of earnings falling 100 basis points below it

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5/ NPRM, at para. 12. The further price cap incentive of 50% earnings sharing over a 400 bp range is not a part of the OIRP.

6/ NPRM, at para. 11.

over the two year filing period.[7] CBT believes that these levels present a workable minimum level of incentives.

Price cap LECs who elect the 3.3% productivity offset may retain 100% of their earnings up to 100 basis points above the currently authorized 11.25% rate of return level, and 50% of amounts between 12.25% and 16.25%.[8] Thus, a price cap LEC at the standard productivity level has an incentive to earn as much as 14.25%, or 300 basis points above the unitary rate of return. If a LEC elects the higher 4.3% productivity level, it can keep 100% of earnings up to 200 basis points above the rate of return, and then 50% of amounts between 13.25% and 17.25%.[9] Thus, a LEC at the higher productivity level could earn as much as 15.25%, or 400 basis points above the rate of return level. In either case, the level of risk would be 100 basis points below the rate of return level, or 10.25%.[10] These earnings incentives are substantially higher than those proposed in the

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7/ USTA Proposal, at p. 10. The two-year study period is the single most significant distinction between the OIRP and the USTA Proposal, on the one hand, and price cap regulation on the other.

8/ Price Cap Order, at para. 163.

9/ Price Cap Order, at para. 163.

10/ Price Cap Order, at para. 165.

OIRP, while the level of risk, 100 basis points, remains the same.11/

As noted above, the absence of a sharing mechanism is what distinguishes price cap earnings incentives from the Commission's OIRP. USTA suggested a 200 basis point upper earnings zone, without a sharing mechanism, to provide a true continuum of incentives in its Alternative Incentive Regulation (AIR) plan.12/ In the alternative, a 200 basis point 50% sharing zone beginning at 12.25% would achieve the same result (*i.e.*, maximum potential earnings of 13.25%) in a manner similar to that in place under price cap regulation. This could, however, be administratively burdensome for small and midsize LECs, and should not be needed in the context of a two year plan proposal.

11/ The following chart demonstrates the differing parameters of each of the plans:

	The OIRP	Price Cap 3.3%	Price Cap 4.3%
Level of Risk	100 bp	100 bp	100 bp
Non-shared earnings above ROR	100 bp	100 bp	200 bp
Shared earnings range above ROR	0 bp	400 bp	400 bp
Maximum earnings above ROR	100 bp	300 bp	400 bp

12/ Under the AIR plan, maximum earnings would be 200 basis points above the rate of return level, which would then be 100 bp less than 3.3% price cap LECs and 200 bp less than 4.3% price cap LECs.

The Commission apparently overlooks two significant differences between its OIRP (and the USTA AIR plan) and price cap regulation:

1. There is no annual adjustment for inflation, offset by productivity. Implicitly, they are equal.

2. Every two years, rates are reset to the rate of return level based on actual historic data.

The biennial recalibration process in essence eliminates the need for a complicated sharing mechanism. This is because the higher a company's earnings in a given two year period, the more it would reduce its rates in a subsequent two year period. Price cap regulation lacks this built-in control. The 200 basis point incentive suggested by USTA is critical because, without it, a LEC would have little additional motivation to introduce efficiency measures and new services, and little reason to elect the Commission's OIRP. A LEC would continue to look to the safer option of protecting its interests in the course of a prospective filing based on Part 61.38 of the Commission's rules.[13/]

B. <u>The Common Line Demand Adjustment Extracts Too Great a Penalty</u>

Section III(B) of the NPRM deals with historical cost tariffs for small companies. The Commission proposes an adjustment to demand reflecting individual company growth in the derivation of carrier common line (CCL) rates.[14/] In the

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13/ 47 C.F.R. 61.38.

14/ <u>NPRM</u>, para. 33 - 34.

Erratum, the Commission suggests this same method as an option under its OIRP.[15/] This approach is inappropriate, and, if adopted, would give small and midsize LECs even less reason to elect the Commission's OIRP.

In applying the Commission's proposed adjustment, a LEC would apparently determine its CCL demand by increasing the average demand over the most recent 24 months by the percent growth in usage over the same period.[16/] The LEC would then divide this revised demand into the historical cost value to determine the rate applicable for the tariff period.[17/] This method would thus attribute the entire benefit of historical growth to the LEC's customers, and none to the LEC. This stands in harsh contrast to the approach established for price cap LECs.

Initially, a common line basket was not even proposed for price cap LECs. There were to be two baskets: Switched access and all other.[18/] For price cap index (PCI) calculation

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15/ Erratum, para. 1.

16/ NPRM, para. 34.

17/ NPRM, at para. 34. While the Commission states that "costs from the most recent 12-month period" would be used in this calculation, CBT assumes that consistent periods would be used for both costs and demand. As was the case when the initial Part 61.39 filings occurred, this would mean that initial filings would be made based upon 12 months data for both cost and demand, while subsequent filings would be based upon 24 months data for both. The NPRM is not clear on this point.

18/ Policy and Rules Concerning Rates for Dominant Carriers, Further Notice of Proposed Rulemaking, CC Docket No. 87-313 (FCC 88-172), Released May 23, 1988, at para. 282.

purposes, a total common line rate per minute, computed as if there were no end user charge, would have been used. Reductions in the carrier common line charge due to demand growth would have been treated as exogenous adjustments.[19/]

The Commission proposed a separate common line basket in 1989 due to the "unique characteristics" of costs not varying significantly with changes in demand.[20/] It suggested quantification of the growth adjustment effect through application of the following:[21/]

$$[(GNPPI-X)+(g/2)(GNPPI-X-1)]/(1+g)$$

Where: GNPPI = Change in gross national product price inflator over base year level.

X = Productivity offset factor of 3.0%.

g = minutes of use per access line for the base period divided by minutes of use per access line for the prior base period.

The Commission also suggested that employing the above in the PCI calculation would obviate the need for a separate exogenous adjustment for demand stimulation.[22/]

19/ Id., at pp. 3292-93.

20/ This is less a true statement for non-price cap LECs. See, USTA Comments, Attachment.

21/ Policy and Rules Concerning Rates for Dominant Carriers, Report and Order and Second Further Notice of Proposed Rulemaking, CC Docket No. 87-313 (FCC 89-91), Released April 17, 1989, para. 723-726.

22/ Id., at para. 726.

The last variation on this theme was applied in the Price Cap Order when the Commission ordered a four basket approach.[23/] Significantly, in addressing the technical aspects of the common line formula, the Commission stated that "we are splitting the benefits of demand growth between local exchange carriers and their customers".[24/] The Commission affirmed this approach on reconsideration, and also further explained its balanced approach to the common line adjustment:

- In rejecting MCI arguments for a "per line" formula in place of the Commission's "Balanced 50/50" formula, the Commission said that MCI "ignores the

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23/ Price Cap Order, at para. 201. The four baskets are common line, traffic sensitive switched, special access and interexchange. The Commission therein modified the common line demand adjustment function as follows:

$$[1+w((GNPPI-X-(g/2)/(1+(g/2)))+\Delta Z/R]$$

Where: GNPPI = As above.

X = Productivity offset factor, either 3.3% or 4.3%.

g = As above, minus 1.

w = $(R+\Delta Z)/R$

R = Base period quantities for each rate element multiplied by the price for each rate element at the time of updating the PCI to its new level.

ΔZ = Dollar effect of current regulatory changes when compared to the regulations in effect at the time of updating the PCI to its new level, measured at the base period level of operations.

24/ Price Cap Order, Appendix E, at p.1.

interrelationship between the balanced formula and the productivity offset.....The offset was...(intended) to establish a productivity target that will both make ratepayers better off than rate of return and introduce productivity incentives. It is this overall offset that largely provides benefits to customers, not any specific cost allocation or allowance." (emphasis added).[25/]

- In regard to the Price Cap Order's modifications to the previously proposed more generous formula, the Commission judged that, nevertheless, "the LECs should be given some incentive to contribute to this (i.e., common line) type of efficiency gain." (emphasis added).[26/]

- And finally under the Balanced 50/50 formula, "the stimulus to greater productivity should result in improved services and features, and half the benefits of productivity gains that might otherwise not have occurred." (emphasis added)[27/]

In light of this carefully crafted and reasoned approach, it is difficult to understand why the Commission proposes what is essentially a pure "per line" approach under both its OIRP and the small company rules. Such an approach would negate LEC incentives in the common line area. A better approach has already been suggested by USTA, whereby one half of the growth in common line demand in excess of historical cost growth would be the adjustment amount.[28/] This retains LEC incentives in a manner consistent with, if not completely the same as, the price

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25/ Price Cap Reconsideration Order, at para. 45.

26/ Price Cap Reconsideration Order, at para. 47.

27/ Price Cap Reconsideration Order, at para. 57.

28/ USTA Proposal, at p. 14.

cap approach.[29/] CBT urges the Commission to adopt the USTA approach for the common line adjustment.

C. The Commission Should Not Limit Mid-Term Filings

Having tentatively concluded that biennial filings are appropriate under the incentive plan, the Commission requests comment on whether LECs should retain the option of filing revisions within the two-year period, and whether it is appropriate to hold any LEC making such a filing to a heavy burden test.[30/]

CBT supports the Commission's tentative conclusion on biennial filings for the incentive plan, which is also a component of the USTA Proposal.[31/] This biennial filing could substantially reduce regulatory burdens, simplify the tariff process and still permit the Commission to fulfill the requirements of the Communications Act to maintain just and reasonable rates.

The Commission should not limit mid-term filings. Such a limitation would be problematic, especially to the extent it would limit retargeting to the minimum level of earnings (*i.e.*,

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29/ The presence of the historic cost growth threshold differs from the price cap approach, but counterbalances for the lack of an indexing mechanism and the biennial recalibration to the authorized rate of return level, neither of which are present in price cap regulation.

30/ *NPRM*, at para. 10.

31/ USTA Proposal, p. 9.

10.25%). Moreover, such a limitation would impose a higher degree of risk on small and midsize LECs than is applicable to the far larger price cap LECs. Price cap LECs are able to adjust their PCI levels up to the lower formula adjustment mark when earnings fall below 10.25% for a base year period.[32/]

CBT believes the concerns underlying the Commission's decision to permit retargeting by price cap LECs is equally applicable to LECs who are under rate of return regulation, and who might be contemplating an election to be regulated under the Commission's OIRP. Indeed, the lack of economies of scale for small and midsize LECs suggests that their need for this protective mechanism is even greater.

The AIR plan proposed by USTA subjects small and midsize LECs to an earnings risk level of 100 basis points below the authorized rate of return. LECs could make mid-term rate

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32/ Price Cap Order, at para. 127, 147 and 149. The Commission explains that this adjustment capability is necessary for LECs to:

1) Remain healthy and able to provide needed services,
2) retain ability to attract capital in order to modernize its infrastructure,
3) provide modern and efficient services upon customer demand,
4) maintain incentives to continue to improve productivity, and
5) achieve the Commission's goals of maintaining universal service and a high level of network quality and reliability.

adjustments to correct for deficient earnings.[33] The Commission should allow mid-term rate adjustments in its OIRP to prevent small and midsize LECs from being subject to prolonged periods of underearnings.[34]

Small and midsize LECs electing to be regulated under the OIRP should not be held to a heavy burden of support for mid-term adjustment filings. This would be consistent with the approach established for price cap LECs, which are not required to make any showing other than an earnings deficiency.[35]

D. New Services

In the NPRM, the Commission proposes to permit LECs subject to its OIRP to introduce new services with a presumption of lawfulness if the anticipated earnings are de minimis (i.e., 2 percent or less of a non-price cap company's total operating revenue) and do not exceed the rate charged by the geographically closest price cap LEC offering the same or similar service.[36] The Commission also proposes that at the end of twelve months,

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33/ USTA Proposal, at p. 10. Simplified mid-term filings would be permitted on short (14 day) notice to adjust rates to correct earnings to either the upper or lower bound of the earnings zone.

34/ Further, CBT urges the Commission to allow waivers of existing rules where circumstances warrant and where a mutually agreeable alternative method of determining lawful rates can be reached.

35/ Price Cap Order, at para. 127.

36/ NPRM, at para. 16.

the LEC would be required to calculate rates for the new service based upon the historical costs for that service.37/

CBT concurs with the USTA Comments that a cost based filing within twelve months is inappropriate so long as the actual earnings from a new service fall within the de minimis range. CBT also submits that it is unnecessary to look only to the geographically closest price cap LEC for a benchmark rate. CBT concurs with the USTA that the rate benchmark for a new service should include any rate on file with the Commission for a comparable service offered by a price cap LEC. Where no benchmark exists, the Commission should adopt rules no more onerous than the new service pricing rules now in effect for price cap regulation.38/

E. Infrastructure Development Reporting Should Not Be Required

The Commission tentatively concludes that LECs electing the OIRP should file quarterly service quality information reports and biannual infrastructure development reports.39/ CBT does not oppose the filing of service quality reports; however, CBT

37/ NPRM, at para. 16.

38/ See Amendments of Part 69 of the Commission's Rules Relating to the Creation of Access Charge Subelements for Open Network Architecture and Policy and Rules Concerning Rates for Dominant Carriers, Memorandum Opinion and Order on Second Further Reconsideration, CC Docket No. 89-79 and 87-313 (FCC 92-325), released August 6, 1992.

39/ NPRM, at para. 21.

submits that the filing of biannual infrastructure reports by LECs electing the OIRP would be inappropriate. Only the mandatory price cap LECs are required to file infrastructure reports. LECs electing price cap regulation on an optional basis are not required to file such reports. Accordingly, it would be inappropriate to make such reports mandatory for LECs electing the OIRP. Therefore, CBT submits that the infrastructure reporting requirement contained in the Commission's proposed OIRP should be eliminated.

II. MODIFICATIONS ARE NEEDED TO THE COMMISSION'S PROPOSED REVISIONS TO BASELINE RATE OF RETURN REGULATION

The NPRM also proposes to revise baseline rate of return regulation for LECs that do not elect the Commission's OIRP. As discussed below, these proposed revisions must be modified in several key areas.

First, the NPRM states that it may be adequate to require baseline tariff filings every other year.[40/] While CBT supports the option of a biennial filing, CBT submits that LECs must retain the option of making an annual filing if circumstances warrant.[41/] CBT supports USTA's proposal which would give a LEC the option to simply renew its tariff for a

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40/ NPRM, at para. 43.

41/ See, USTA Proposal at p. 5. Further, as discussed below, CBT submits that LECs should be provided the option to base such filings on prospective study periods, rather than being limited to only historical timeframes.

second year by certifying that it did not expect its current rates to earn in excess of the maximum allowable return.[42/]

Second, the NPRM states that projected costs and demand data may be developed as simple extrapolations of historical costs and demand.[43/] CBT has consistently maintained that "the major thrust of a predictive statistical model is to provide the best fit of the historical data to accurately forecast the future."[44/] CBT submits that the Commission must be cognizant of the fact that each LEC may have unique circumstances which might require modification of any extrapolation model developed by the Commission.[45/] In addition, exclusive reliance on historical costs and demand would tend to keep small and midsize LECs one step behind in the rapidly changing telecommunications industry. Therefore, LECs must be given the option of making prospective rate filings.[46/]

42/ See, USTA Proposal at p. 5. From a practical standpoint, some experience with prospectively derived rates may be necessary to determine their continuing appropriateness for an additional year.

43/ NPRM, at para. 44.

44/ See, e.g. CBT Petition for Reconsideration, 1991 Annual Access Tariff filing, filed July 19, 1991, Order on Reconsideration, released August 4, 1992.

45/ Examples include differing degrees of construction activity, GAAP rule changes, FCC rule changes, and/or impacts of fluctuations in the local economy.

46/ See, USTA Comments for further discussion of the need for prospective rate filings.

In the event the Commission implements an extrapolation model, it should at least allow companies to include known and measurable adjustments and exogenous adjustments when arriving at an estimation of the cost and demand for rate development. Those known and measurable changes and exogenous changes should be normalized back through the historical data and the exogenous changes should be added or subtracted from the trend point, as appropriate.

Finally, the NPRM tentatively concludes that its existing level of detail required to support tariff filings under the current rate of return regulation is excessive. CBT concurs with this tentative conclusion. Indeed, for any incentive regulatory framework to provide a meaningful alternative to small and midsize LECs, it is critical that the tariff filing requirements be simplified and made less burdensome. CBT joins with USTA in offering to work with the Commission in arriving at an agreement as to the minimum detail needed for the Commission to evaluate the reasonableness of small and midsize LEC filings.

III. IMPORTANT REGULATORY REFORM ISSUES ARE TO BE RESOLVED IN THE INTERSTATE RATE OF RETURN REPRESCRIPTION PROCEEDING

CBT submits that the Commission proceeding currently underway to amend the interstate rate of return represcription process will have a significant impact on any incentive regulatory plan implemented by the Commission in this proceeding.[47/] Indeed, the outcome of the Commission's analysis of several issues being addressed in that docket are critical to whether the Commission's regulatory reform proposal in this proceeding can provide a meaningful option for small and midsize LECs.

The Commission must continue to prescribe a single unitary rate of return for the LEC industry as a whole. The burdens associated with individualized rates of return would be insurmountable. Further, there is no justification to establish different rates of return for price cap LECs and rate of return LECs. Indeed, the inability of rate of return LECs to achieve the productivity levels required to make price cap a viable option demonstrates that they face an even greater business risk in the future.

Further, any monitoring of performance under rate of return should be based on total interstate access. Price cap LECs comprise approximately 93.7% of the LEC industry revenue requirement,[48/] and are monitored only at the total interstate level. Non-price cap LECs should be monitored in the same way.

47/ In the Matter of Amendment of Parts 65 and 69 of the Commission's Rules to Reform the Interstate Rate of Return Represcription and Enforcement Processes, CC Docket No. 92-133.

48/ NPRM, at footnote 3.

IV. CONCLUSION

CBT appreciates the Commission's attempt to bring the benefits of incentive regulation to small and midsize LECs and their customers. However, in order to provide a meaningful alternative for CBT and other small to midsize LECs, the Commission's regulatory reform proposal must be modified consistent with these comments and the USTA Comments.

Respectfully submitted,

FROST & JACOBS

By ______________________
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Dated: August 28, 1992

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CERTIFICATE OF SERVICE

I, Debbie L. Davidson, hereby certify that the persons on the attached service list have been served with a copy of the foregoing **COMMENTS OF CINCINNATI BELL TELEPHONE COMPANY** this 28th day of August, 1992.

Debbie L. Davidson

Debbie L. Davidson

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